

An aerial photograph of Flagstaff, Arizona, showing the city's layout, including residential areas, commercial districts, and large parking lots. The city is nestled in a valley, with rugged mountains visible in the background under a partly cloudy sky. A dark blue diagonal banner runs across the top left and bottom right of the image, serving as a background for the text.

City of
FLAGSTAFF

UTILITY RATE ADJUSTMENTS
**TIMELINE AND STAKEHOLDER
OUTREACH**

June 30, 2015

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PURPOSE

Carefully **analyze** and **develop rates** that are sufficient to **fund** the **O**peration, **M**aintenance and **R**eplacement of **essential** utility infrastructure while maintaining a commitment to **affordability** and **transparency**.

OBJECTIVE

Ensure the City can responsibly invest in the infrastructure needed to provide round-the-clock, safe and reliable utility services to ensure the public's health and economic vitality of our community today and into the future.

OVERVIEW OF RATE STUDY PROCESS

The Approach to all Utility Rate Studies is Remarkably Similar – Regardless of the Service

The 3 Common Phases to All Utility Rate Studies are:

Revenue Sufficiency Analysis

- Water
- Sewer
- Reclaimed water
- Stormwater

Purpose of the Analysis:

Development of financial plan which ensures adequate revenue to fund operating / capital expenses, maintain debt service coverage, maintain sufficient fund balances

Cost of Service Analysis

- Water
- Sewer
- Reclaimed water
- Stormwater

Purpose of the Analysis:

Development of analysis which assigns net costs to functional / customer cost components to ensure equity among customer classes

Rate Design Analysis

- Water
- Sewer
- Reclaimed water
- Stormwater

Purpose of the Analysis:

Development of analysis which assigns rates and charges to customers based on their usage / benefit characteristics

Timeline

Proposed schedule

- 7-16-2015 *Water Commission Final report review*
- July-October *Community Stakeholder meetings*
- 8-25-2015 *City Council Notice of Intent*
- 10-6-2015 *City Council 1st Public Hearing*
- 10-20-2015 *City Council 2nd Public Hearing*
- 10-27-2015 *City Council presentation*
- 11-3-2015 *City Council 1st reading (tentative)*
- 11-17-2015 *City Council 2nd reading (tentative)*
- 2016 *New Rates Effective (tentative)*

Stakeholder Outreach

July-October Community Meetings with Key Stakeholders



- *Chamber of Commerce, Downtown Business Alliance, Northern Arizona Homebuilders, Association of Realtors*
- *Large Customers*
- *Large Irrigators*
- *University, College and School Districts*
- *Civic Groups-Lions, Rotary Clubs*
- *Neighborhood Groups*
- *Sierra Club, Friends of Flagstaff Future*
- *other*
- *Bill Inserts*
- *Cityscape – Newspaper*
- *Website*



Website Information

For more information on the City's Rate Study and background information please go to City of Flagstaff Website

<http://www.flagstaff.az.gov>

search **water rates**



QUESTIONS

